

**To:** Jeffrey Epstein[jeevacation@gmail.com]  
**From:** Rich Kahn  
**Sent:** Tue 8/24/2010 12:31:38 PM  
**Subject:** FW: Attractive MS Step Up

This looks very interesting as an alternative to money market if you are comfortable with Morgan Stanley credit

Years 1&2 yields of 275 basis points are 255 basis points more than current JPM money market yield of 20 basis points

Please advise

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**From:** Ian E Hirschfield [REDACTED]  
**Sent:** Tuesday, August 24, 2010 8:18 AM  
**To:** Rich Kahn  
**Subject:** Attractive MS Step Up

Rich – This is a 7 year step up on Morgan Stanley that we like. It pays a nice above market coupon for the first 2 years and then steps up if it is not called. It is callable in 1 year, and quarterly thereafter.

These are senior unsecured notes. The IRR is 4.12%.

Years 1-2      **2.75% Yield**

Years 3-4      **4.00% Yield**

Years 5-6      **5.00% Yield**

Year 7      **6% Yield**

Let me know your thoughts.

Ian Hirschfield

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